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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)

Amendments of Part 90 of the)
Commission's Rules to Facilitate)
Future Development of SMR Systems)
in the 800 MHz Frequency Band)

PR Docket No. 93-144
RM-8117, RM-8030
RM-8029

Implementation of Sections 3(n) and 322)
of the Communications Act)
Regulatory Treatment of Mobile Services)

GN Docket No. 93-252

Implementation of Section 309(j))
of the Communications Act --)
Competitive Bidding)

PP Docket No. 93-253

To: The Commission

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REPLY COMMENTS OF PUERTO RICO TELEPHONE COMPANY

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To: The Commission

REPLY COMMENTS OF PUERTO RICO TELEPHONE COMPANY

Puerto Rico Telephone Company ("PRTC"), by its attorneys and pursuant to Section 1.415 of the Commission's Rules,¹ hereby submits its reply comments in the Commission's Second Further Notice of Proposed Rule Making ("Second NPRM") in the captioned proceeding.² In the Second NPRM the Commission sought comments on its proposal to eliminate BETRS eligibility on the upper 200 channels of 800 MHz SMR Spectrum.³

1. 47 C.F.R. § 1.415.

2. FCC 95-501, released December 15, 1995, 10 FCC Rcd ____ (1995).

3. Channels 401-410, 441-450, 481-490, 521-530, and 561-570 are available for BETRS on a co-primary basis with private radio services over the paired frequencies 816-821 MHz and 861-866 MHz. Id. at ¶¶ 287-288.

REPLY COMMENTS OF PRTC

PRTC, a government instrumentality of the Commonwealth of Puerto Rico, provides wireline telephone service throughout the urban and rural areas of the island of Puerto Rico. PRTC has dramatically increased telephone service penetration over the past twenty years and continues to pursue additional ways in which to provide service, especially to its rural customers. The future availability of frequencies on which to operate Basic Exchange Telephone Radio Service ("BETRS") is of serious concern to PRTC as it continues to implement technologies to provide cost-effective service. This effort is central to PRTC's social responsibility as a governmental entity created to improve the island's telephone infrastructure.

No other commenter in this proceeding has addressed the implications of the Commission's proposal to eliminate virtually half of the available BETRS spectrum. In fact, only the American Mobile Telecommunication Association, Inc. referred to the effect of the Second NPRM on BETRS, by opining "that BETRS licenses [sic] have exhibited little or no interest in utilizing these frequencies" Comments of the American Mobile Telecommunication Association, Inc., at p. 17.

This lone reference fails to analyze the public policy considerations presented by the Commission's proposal in this proceeding. The Commission has a statutory duty

to make available, so far as possible, to all the people of the United States a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges

47 U.S.C. 151. The drastic decrease in available BETRS frequencies that has been proposed by the Commission jeopardizes PRTC's efforts to provide universal service. Such a result is antithetical to the Commission's statutory mission to facilitate universal telephone service.

Traditional wireline service is prohibitively expensive to install in some regions of Puerto Rico. The mountainous terrain spanning parts of the island makes widespread installation of wireline facilities extraordinarily expensive. The cost per local loop to install wireline service for some areas intended to be served by BETRS ranges from \$5,000 to \$10,000, and in some cases may exceed \$15,000. In contrast, the national average cost per local loop is \$243.⁴ Radio service, which can be provided to the same areas for less than \$2,600 per subscriber, is the clear option for PRTC as part of its ongoing effort to increase telephone service availability.

BETRS technology permits PRTC to offer service to individuals who have never experienced the health, social, and economic benefits of basic telephone service. For example, PRTC forecasts that within two years due to BETRS technology, it will be able to offer service for the first time to an estimated 6,000 citizens.⁵ Similar strides toward universal service on the

4. Federal-State Joint Board Staff, Monitoring Report, CC Docket No. 87-339, Table 3.7 at 86 (May 1995).

5. These numbers represent significant achievements in service penetration for PRTC. Telephone service penetration in Puerto Rico was barely at 25 percent in 1974. Although PRTC has made
(continued...)

island may not be possible once alternative frequencies are no longer available for the service.

The shared status of BETRS frequencies reduces further the spectrum available for this important service. In Puerto Rico, for example, the 450 MHz band is highly saturated. If the Commission eliminates authorization for BETRS on the 800 MHz frequencies, PRTC may be precluded from obtaining additional BETRS authorizations. As PRTC stated in its Comments, the Commission has proposed no alternative frequencies for this important service.

CONCLUSION

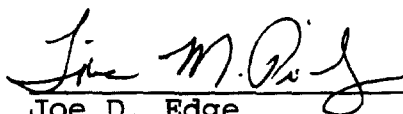
For the foregoing reasons and the reasons stated in Comments by PRTC, the Commission should retain BETRS eligibility in the 800 MHz frequency block. PRTC also reiterates its prior requests that the Commission should consider setting aside spectrum

5. (...continued)

great strides in providing quality telephone service, telephone penetration in Puerto Rico remains low by United States standards. United States telephone penetration is 93.8 percent nationally, while overall penetration in Puerto Rico is 71 percent and below 50 percent in some areas of the island. Id., Table 1.2 at 27.

designated solely for BETRS and should also waive the spectrum cap for CMRS licenses acquired solely for the purpose of providing rural radio service.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Joe D. Edge", is written over a horizontal line.

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March 1, 1996

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Comments of Puerto Rico Telephone Company has been served by hand delivery on the 1st day of March, 1996 upon:

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W./Room 222
Washington, D.C. 20554



Tina M. Pidgeon